7.0 Freight Transportation

7.0 Freight Transportation

MaineDOT recognizes the increasingly important role of freight transportation in the management and growth of Maine's overall transportation infrastructure and in the promotion of Maine's economic vitality. MaineDOT, through its Office of Freight Transportation (OFT), has made consideration and advancement of freight improvement projects a priority. OFT has been guided in this effort by two previous Integrated Freight Plans. Also, OFT is currently working with the Volpe Transportation Center of Cambridge, MA on a security project to better track freight flow into, within, and out of Maine.

7.1 Cargo Ports

The state's major investments in cargo port assets include the following:

Eastport – the Estes Head Cargo Pier and warehouses are currently in excellent condition and operating at below design capacity.

Searsport – the Mack Point Dry Cargo Pier is in excellent condition and operating at below design capacity, although interest in developments at the Mack Point facility are increasing at an aggressive pace, and it is likely that this facility may exceed its design capacity within the next decade. The Sears Island property is undeveloped at this time.

Portland – the International Marine Terminal is in fair condition and is currently operating below design capacity. However, new uses have been identified that will require an expansion and renovation. Also, recent interest in a new container feeder service to the Port of New York & New Jersey could dramatically increase the use of this facility, which could result in a need for upgrading the facility.

7.2 Freight Rail

Freight railroads are classified by the Federal Rail Administration based on annual operating revenue as follows:

CLASS I - Annual revenues of greater than $258.5 million
CLASS II - Annual revenues between $40 million and $258.5 million
CLASS III - Annual revenues of less than $40 million.

Maine has no Class I service, but its Class II carriers connect with four Class I railroads in New York, Montreal, and St. Leonard, N.B. The state's Class II railroads, Montreal Maine & Atlantic (MMA), GTI, and St. Lawrence & Atlantic Railroad (SLA), form the core of Maine's regional rail system. The Maine Eastern Railroad is a regional railroad operating on the recently rehabilitated Rockland branch. These four railroad companies move more than 8 million tons of freight per year over 1,200 miles of active track. Maine has roughly 230 miles of inactive track. There are two operating rail/truck intermodal facilities, located in Auburn and Presque Isle.

The Auburn facility is served by SLA via its connection to Class I railroad Canadian National. Canadian National's merger with the Illinois Central, along with newly developed partnerships with KCS and Tex-Mex, has opened Maine rail markets to new opportunities that SLA is actively marketing. Additional opportunity for growth has occurred through the development of Mini-Landbridge (MLB) traffic from the Pacific Rim via the port of Vancouver. Mini-Landbridge is generally defined as traffic received over a Pacific coast port with a destination on the U.S. east coast. The SLA is fully cleared for two high cube double-stacked containers between Auburn and Montreal and has Customs clearance on-site. This facility has high traffic levels.

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The Presque Isle facility is served by MMA, utilizing two intermodal routes: North-South and East-West. Currently, the North-South traffic is moving via MMA to Northern Maine Junction, via Guilford to Ayer, MA. The east-west traffic moves from Bangor to Montreal. However, this facility has intermittent low traffic levels.

The East-West service is primarily dictated by ship arrivals and departures at the Canadian ports of St. John (primarily) and Halifax and Montreal. This line is cleared for double-stack operation. The MMA also moves traffic west to Montréal from Searsport.

Currently, the Maine freight rail system is in transition. The MMA bought the assets of the former Bangor & Aroostook Railroad in 2002, and is working to restore service levels and attract new customers. It has reestablished service levels at Searsport. SLA Railroad's parent company, Emons Holdings, Inc., was acquired by Genesee & Wyoming, Inc., a short-line railroad holding company with assets in five countries. Its new operation has been beneficial to shippers. GTI continues to serve its customers in Southern and Central Maine. Maine Eastern Railroad, owned by Morristown and Erie Railroad, operates the state owned Rockland Branch from Brunswick to Rockland.

7.3 Motor Carrier

Motor carrier related projects have emphasized both enhancement of truck freight flow safety and efficiency. Major motor carrier-related "assets" which have involved OFT include:

1) A Heavy Haul Truck Network that has identified major truck freight routes in Maine and provided criteria for evaluating projects that may improve freight flow by truck. An associated program provides project selection criteria for projects that enhance truck freight flow. This program is designed to allow more efficient prioritization of heavy truck related projects in the planning process. The program needs updating to allow it to better utilize MaineDOT data that reflect actual highway conditions.

2) A public-private partnership project to build an overnight parking area for truck drivers. OFT is working cooperatively with a southern Maine truck stop operator to expand overnight truck parking at the truck stop. A recent MaineDOT study found that there was a deficit of overnight truck parking places in the southern third of the state. This project will provide more rest opportunities for truckers and combat the "tired trucker" problem.

3) An interactive motor carrier data base system installed at the BMV for use by State Police enforcement in the field.

4) A future installation of vehicle screening systems at the I-95 Kittery-York weigh stations.

5) Future enhancement of the data base system used by the Bureau of Motor Vehicles and the Maine State Police to allow one screen access to national motor carrier enforcement data bases.

7.4 Air Freight

Air freight is an important component of Maine's current freight transportation system and is experiencing rapid growth (7.0 to 10 percent annually). Air freight is especially important for the transportation of low-weight/high-value commodities, such as semiconductors, and of perishable commodities, such as seafood.

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The Portland Jetport is situated on 700 acres, three miles from downtown Portland. Both FedEx and DHL operate freight facilities at the airport. A package of improvement projects, including runway improvements and the construction of new freight facilities near the airport's access road to streamline mail and cargo operations, was recently completed. Its air freight operations however are limited by neighborhood concerns.

The Bangor International Airport, located along I-95, operates one of the longest runways (over 11,000 feet) in the Eastern U.S. The airport also has over 30,000 square feet of warehouse space. It is operating well below capacity.

The Auburn-Municipal Airport is a small airport that handles corporate, charter, recreational, and cargo activates. Its air freight activities are located near the Industrial Airpark, which is located in close proximity, not only to I-95, but also to the Auburn-Lewiston Intermodal Facility. It has made new improvements and is operating below capacity.

With the BRAC Commission's formal closing of the Brunswick Naval Air Station, this facility may become available for air freight operations.

7.5 Funding Scenarios & Implications

For the three biennia beginning October 2002, the OFT budgeted work plans averaged $8.1 million per biennium (including both bond and federal funds). This represents an estimated "status quo" funding level for freight investments. The effect of possible funding scenarios of status quo, 20% increase or 20% decrease in funding for the period ending in 2013 and beyond is discussed by mode as follows:

Ports

If funding of commercial ports is maintained at the current level, with only an increase for inflation, there will be insufficient funding to cover needed expansion and development. Status quo funding would cover general maintenance and upkeep of existing facilities. However, until the last two decades, investment in Maine's public port facilities had been severely neglected for close to a century. This has placed Maine at a considerable disadvantage in being able to provide cost-effective access to international transportation options for its manufacturers. International trade, and consequently international shipping, is experiencing aggressive rates of growth. Additionally, with the ever increasing costs of overland domestic cargo movements the re-emergence of coastal shipping lanes is imminent. For Maine to compete, or more appropriately, for Maine to provide the marine transportation infrastructure that will allow the state's businesses to compete, will require a significant increase in funding for public port facilities, and increased creativity in applying the funding.

Status quo funding for cargo ports based upon historic investment averages, or even a 20% increase over that funding level, will not be sufficient to meet the needs of port development. To truly maintain our position relative to international cargo shipping will require at least $50 million in investments over the next decade. Looking forward on a 20 year horizon there will be a need for an additional $200 million in port investments to keep pace with the growth of international trade and shipping needs.

A 20% reduction in funding would essentially cripple the state's ability to provide adequate development of new port facilities to meet the needs of businesses. This would negatively impact the state's ability to retain existing manufacturing and traditional forest product industries. It will also impose significant disadvantages to economic development and attracting new business to the state.

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Motor Carrier

If funding of motor carrier programs is maintained at the current level, with an increase for inflation, there should be sufficient funding to cover needed database enhancements to Unified Motor Carrier Account Management System (UMCAMS) and the Heavy Haul Truck Network (HHTN), and to fund very modest extensions of the vehicle screening system to other locations. This level of funding would maintain constant performance respecting motor carrier needs of OFT. There would probably not be sufficient funding to increase the number of weigh areas or public-private truck rest areas on the Interstate system. An increase in motor carrier program funding of 20% would not satisfy Strategic Needs, which would require more extensive improvements in vehicle screening and credential monitoring. An increase in funding of almost 100% over Status Quo Investment would be required to meet these needs. However, it is anticipated that federal CVISN funds will be available to fund at least some of these needs.

A 20% reduction of funding from current levels would prevent further enhancement of UMCAMS and preclude any development of additional weigh areas, truck rest stops, vehicle screening sites, and freight flow tracking capabilities. The State would be unable to complete requirements for CVISN core capabilities in electronic commercial vehicle enforcement and be ineligible for federal funding in this area. This would negatively impact motor carrier loading and safety practices and planning and enforcement capabilities, resulting in increased bridge and pavement wear, reduced highway safety, and less efficient motor carrier freight flow.

Rail Freight

Currently 92% of Maine's active track will not support a 286,000 pound rail car, which is quickly becoming the rail industry standard. Installation of the 132 lb. rail needed to support the heavier car over Maine's 1,200-mile system is a capital investment that the Class II carriers cannot undertake alone. It is estimated the cost for acquisition and installation of heavier track is approximately $208,000 per mile. With this improvement, Maine's rail operators have the ability to move the new generation of freight cars and locomotives. Without investment in the heavier track, some rail traffic may be lost to trucks, increasing highway damage and maintenance costs, as well as increasing congestion and air pollution.

Increasing investments should be made in the State rail infrastructure. Though the state's rail system has benefited from the recent major investments in mainline track and sidings through the Industrial Rail Access Program (IRAP), increased funding will help protect the public interest in rail operations in the State and fully take care of the backlog of IRAP projects. This will create new traffic and job opportunities, and maintain state-owned track and connections to national Class I carriers. IRAP is a successful and popular program, but it is currently unfunded. The funding need for IRAP is approximately $1 million per year for 5 projects. Additional funding is also needed to rebuild major interchange yards at our regional railroads. Maine has three locations where capacity exists to move Intermodal freight to rail: Auburn, Presque Isle, and Waterville.

A 20% cut or any cut in rail freight funding would reduce MaineDOT's ability to maintain the State owned rail lines, and would delay maintenance of track structure, bridges, culverts etc. Many of these items are already behind schedule due to current budget constraints. Level or decreased rail funding will result in deferred track and rail bridge maintenance and possible loss of connections to national/international Class I carriers. Significant cuts in rail funding could also result in emergency and safety concerns. Current rail maintenance funding is at $150,000 per year for the State's 300 miles of track. A much higher level of funding is needed in the years to come as there is a substantial backlog of work on state owned track. Realistically, a funding level of $1.6 million in the biennium in maintenance funds would be adequate to maintain the system of State owned trackage (300 miles) in a constant performance/condition state. An estimated $500,000 annually in funding from railroad excise tax on fuel which will now come to the newly established multimodal Star account will be used to help with

maintenance items but more funding is needed. An investment of $7.6 million in the biennium would allow improvements to State-owned trackage, fund a $2 million IRAP program, and allow improvements to important interchange yards. Lack of investment in the state's rail system results in increased pavement deterioration and bridge stress on Maine's highway network, as freight moves increasingly by truck. An increase in funding would allow us to catch up on this backlog and look at system improvements such as new rail sidings to facilitate higher use of the system.

Air Freight

There is a need for new funding in the $500,000 range for air freight opportunities to partner with private air freight couriers as no funding has been allocated in past BTIPs.

7.6 Conclusions

7.1 Maine's Freight Transportation System Needs (in millions of 2005 dollars)

Freight Transportation	2002-2003	2004-2005	2006-2007	STATUS QUO Investment Level (Average Over 3 Biennia)	To Maintain Constant Performance/ Condition	Biennial Strategic Need
Cargo Ports	4.8	2.2	2.1	3.0	0.6	11.8
Freight Rail	0.3	0.3	0.9	0.5	1.6	7.6
Motor Carrier	1.6	2.1	2.4	2.0	2.0	3.9
Air Freight	0.0	0.0	0.0	0.0	0.0	0.5
Total:	**6.7**	**4.6**	**5.4**	**5.6**	**4.2**	**23.8**